

EU ODA up, but far from levels promised and needed amid international crises
CONCORD press release: OECD DAC 2020 preliminary statistics

Brussels, 13 April 2020 - Today, the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) released its early figures for development assistance spending across donor countries in 2020.¹ The DAC figures offer the first tangible evidence of the global pandemic's impact on EU ODA.² In absolute terms, according to the OECD DAC, EU aid increased by 7.8% (72.7 billion USD) compared to 2019. However, this rise is mainly the result of a fall in GNI prompted by the global pandemic. For the nineteen DAC EU Member States, this represented 0.5% of their ODA/GNI ratio - still far below the longstanding international commitment of 0.7%. The EU institutions' ODA rose by 25.4% in real terms.

"Yes, EU ODA/GNI has risen, and we are glad, in particular, that EU institutions mobilised additional resources to respond to COVID-19. But this is not yet a reason to celebrate: EU ODA levels are still very far from the level of development financing required. And especially so if you think of the money needed to mitigate the social and economic impact of COVID-19, especially on women and girls," said Luísa Fondello, International Cooperation Officer at [Caritas Europa](#).

Only four EU countries fulfilled or exceeded their commitments on development assistance in 2020: Denmark, Germany, Luxembourg and Sweden. And this in a year when - for the first time since 1998 - the global poverty rate has increased. An estimated 150 million additional people will be pushed into extreme poverty by the end of 2021, living on less than 1.90 USD per day. "This isn't just about the loss of progress made, it's also about the disproportionate consequences on peoples' livelihoods. The economic impacts are felt especially by women and girls, who are more likely to earn less and to hold insecure jobs," said Daniel Kaba, Executive Secretary at [Ambrella](#), the Slovak platform of development NGOs.³ With less than a decade to reach the Sustainable Development Goals, the EU Member States simply must step up to meet their collective commitment of 0.7% ODA/GNI.

The quantity of EU ODA is one thing, but its quality is yet another. While welcoming the overall rise in EU ODA/GNI, [CONCORD](#), the European Confederation of relief and development NGOs, underlines the importance of checking how much of this money actually reached the most marginalised people and countries. For instance, a considerable amount of the Team Europe package to respond to COVID-19 in partner countries is being disbursed through loans.⁴ This adds to the debt burden that many countries already struggle with and often negatively affects public spending on health and education which is crucial for marginalised communities, especially in the current situation.

¹ In contrast to 2018 and 2019, the preliminary statistics for 2020 apparently show an increase in the DAC level of absolute volumes of official development assistance (ODA) (amounting to USD 161.2 billion) as well as the DAC ODA/Gross National Income (GNI) ratio (up to 0.32% ODA/GNI in 2020) - rising globally by 3.5% in 2020 in real terms. The DAC published its preliminary statistics on a grant equivalent basis, in USD million, at 2019 prices.

² The United Kingdom was no longer an EU Member State as of 1/2/2020. For consistency reasons, the DAC has excluded the UK ODA from EU ODA for the whole of 2020.

³ UN Women (2020), *The Impact of COVID-19 on Women*

⁴ CONCORD Europe (2020), *AidWatch 2020, Knock-on effects, an urgent call to Leave No One Behind*

ODA must be seen as an expression of EU solidarity with the rest of the world. This is especially the case for Least Developed Countries (LDCs), which have the highest need of resources to lift people out of poverty. Although the 2020 figures for EU ODA to LDCs will only be published at the end of this year, in advance of the [5th United Nations Conference on the LDCs](#), CONCORD is urging the EU to present forward-looking and concrete plans to achieve adequate financing for the countries furthest behind. “Given the interconnected crises such as rising inequalities, climate change, growing conflicts and fragilities, it’s crucial that the EU prioritises grant-based finance in its plans to achieve the target for ODA/GNI to LDCs”, said Tanya Cox, Director of CONCORD. “All EU-funded programmes and projects to LDCs should also be screened to ensure they are in line with Leave No One Behind and gender equality principles,” she added.

Now is not the time for Team Europe to lose sight of the goal to ensure a just and sustainable recovery. More and better EU ODA, which is both life-saving and puts the reduction of inequalities front and centre, is needed more than ever.

